

## **AUDIT AND GOVERNANCE COMMITTEE**

### **MINUTES OF MEETING HELD ON MONDAY 15 NOVEMBER 2021**

**Present:** Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes and Jon Orrell

**Apologies:** Cllr Bill Trite

**Also present:** Ian Howse, Deloitte

**Officers present (for all or part of the meeting):**

Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), Matt Prosser (Chief Executive), John Sellgren (Executive Director, Place), David Wilkes (Service Manager for Treasury and Investments) and Matthew Piles (Corporate Director - Economic Growth and Infrastructure)

**30. Declarations of Interest**

There were no declarations of interest.

**31. Public Participation**

No questions or statements had been received.

**32. Treasury Management Mid-Year Review**

David Wilkes, Service Manager for Treasury Management introduced his report on the Treasury Management mid-year update and highlighted the key points of the report to members of the committee.

In response to questions raised on issues arising from the report members, David Wilkes provided the following responses:

- The £3m PFI was inherited from predecessor councils, one in relation to street lighting which would finish in 2032 and the second was in relation to Colfox School. Further information on PFI and leases could be found in the previous report, Financial Statement 2021-2022 on pages 39 & 40.
- In relation to borrowing there was no need to access 'forward borrowing'. The council could take advantage of forward borrowing (at a low interest rate) if it was known that it would be needed at some point in the future but it was not prudent to borrow if the council did not require it.

- In respect of investing in green sustainable technologies, officers would take the lead from members on this issue. The Pension Fund Committee had already had a large amount of scrutiny on this issue. It was agreed that it would be helpful for the Portfolio Holder to attend a future meeting so that this topic could be explored further by the committee including more details on the council's investments. The Chairman agreed that the committee needed to be clear on the council's investments and how it would extract itself from those investments.
- With regard to the Arlingclose Counter Party list, officers agreed to check if members could have access to this list or whether it was considered confidential information.

## **Decision**

That the report be noted.

### **33. Quarter 2 (Q2) Financial Management Report**

The committee reviewed the Quarter Financial Management Report which had been considered by Cabinet on 8 November 2021. The committee had the opportunity to review and drill down into the report in detail, at the current time the financial forecast was a £4.8 million overspend at the end of the year and a £16.6 million overspend on the Dedicated Schools Grant. There was an improving direction of travel but the council was still dealing with the consequences of the Coronavirus pandemic, particularly in the Adults directorate and had faced a reduction in income for other council services such as the Place Directorate. The council had however received £8.6 million of Covid Grant from central government.

To put the report into context John Sellgren, Executive Director of Place, outlined to the committee the financial pressures within his directorate, for example loss of income from leisure centres and car parks. However, there was some positive work being undertaken by officers on the transformation programme which was looking to optimise opportunities for income and to transform services to deliver savings.

Members discussed the report noting that:

- Officers were confident in the plans put in place for transformation of services, the planning team had already successfully converged the systems from predecessor councils.
- Officers were working closely with HR colleagues to try and attract HGV drivers to work for the council and were monitoring the vehicle driver situation closely and the council was operating a Friends and Family Referral Scheme to support recruitment.
- the delay in building projects for Children's Services was costing the council money in terms of not being able to bring children back to Dorset, however officers were aware of this issue and were closely monitoring the situation across the council.

- In terms of inflation on contracts, suppliers had been advised that the council did not have the budget to cover inflation increases, unless there was a contractual agreement to do so. Officers would share with members some of the modelling that had been done on inflation.
- Officers would not know if the Government would provide an annual settlement figure or a multi-year figure until mid-December.

### **Decision**

That the report be noted.

#### **34. Changing the arrangements for bringing motions on notice to Full Council**

The Corporate Director (Legal & Democratic Services) introduced a report on proposals to amend the arrangements for the submission of motions on notice to Full Council. Under the current arrangement a Notice of Motion could be submitted if supported by 8 members and if it was considered by the Proper Officer that the issue or topic related to the responsibilities of the Full Council or if it directly affected the Council. Concerns had been raised about whether it was appropriate for the Proper Officer, the Corporate Director for Legal & Democratic Services, to make this decision and to operate a filter mechanism in this way. The report therefore set out alternative options for consideration by the committee. The Corporate Director for Legal & Democratic services had suggested that the filter around whether the topic related to or affected the Council be removed altogether and replaced by the requirement for 21 councillors to support a Notice of Motion (21 being the quorum of the Council).

Cllr N Ireland addressed the committee and confirmed that the Political Group Leaders were in agreement that the requirement for the Proper Office to make a decision should be removed as this put the Corporate Director in a difficult position. Cllr Ireland felt that Full Council meetings should not be inundated with motions and that his Group would be happy to go with a number of 17 signatories as this would allow for up to 4 motions to be submitted at each meeting.

Members considered the report and felt overall that it was too onerous on one individual, either the Chairman of Council or the Proper Officer to take a decision based on the current filter arrangement.

It was proposed by Cllr J Orrell and seconded by Cllr M Hall that the filter decision be removed and that the number of members required for submission of a Notice of Motion be 17.

Following an informal vote of the committee:

### **Recommendation to Council**

That Rule 14.2 (i) be removed altogether (meaning that the Proper Officer would no longer decide on whether or not to accept a notice of motion) and

that the number of councillors required to support the submission of a motion on notice be 17.

**35. Minutes of the Audit & Governance Sub-committee**

The minutes of the Audit & Governance Sub-committee were noted.

**36. Forward Plan**

Members received the latest version of the Forward Plan for the committee and Ian Howse from Deloitte provided an update on the Statement of Accounts. He confirmed that a lot of work had already been completed and that the aim was to complete the work before the Christmas break so that the report would be ready for submission the Audit & Governance Committee in January 2021.

Jonathan Mair, Corporate Director (Legal & Democratic Services) agreed to bring forward a report in relation to Governance Culture and Framework and would liaise with the Chairman and Vice-chairman on the scope of the report.

**37. Urgent items**

There were no urgent items.

**38. Exempt Business**

There were no items of urgent business.

**Duration of meeting:** 10.00 - 11.57 am

**Chairman**

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